

October 14, 2003

VIA EMAIL AND EXPRESS MAIL

California Energy Commission  
Docket Office  
Attn: Docket No. 03-CRS-01  
1516 Ninth Street, MS-4  
Sacramento, CA 95814-5512

Re: Pacific Gas and Electric Company's Comments On  
Proposed Cost Responsibility Surcharge Regulations

Dear Docket Clerk:

Pacific Gas and Electric Company (PG&E) respectfully submits the following comments on the proposed cost responsibility surcharge regulations.

Thank you for considering our comments. Please feel free to call me at (415) 973-6463 if you have any questions about this matter.

Very truly yours,

LES GULIASI

LS:sl

cc: William J. Keese, Chairman  
James D. Boyd, Commissioner  
John L. Geesman, Commissioner  
Robert Pernell, Commissioner  
Arthur H. Rosenfeld, Commissioner  
Darcie Houck, Staff Counsel  
Scott Tomashefsky, Adviser  
R.02-01-011 Service List

Enclosure

**BEFORE THE  
ENERGY COMMISSION  
OF THE STATE OF CALIFORNIA**

In the Matter of:  
Proposed Rulemaking Pertaining to  
Data Collection for Qualified Departing  
Load CRS Exemptions

Docket No. 03-CRS-01  
Order No. 03-0528-03

**COMMENTS OF  
PACIFIC GAS AND ELECTRIC COMPANY  
ON PROPOSED COST RESPONSIBILITY SURCHARGE REGULATIONS**

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ON PROPOSED COST RESPONSIBILITY SURCHARGE REGULATIONS**

Pursuant to the “Notice of Renewables Committee Hearing to Consider Cost Responsibility Surcharge Regulations” issued September 10, 2003, in the above-referenced proceeding, Pacific Gas and Electric Company (PG&E) submits these comments on the proposed cost responsibility surcharge (CRS) regulations (also known as the “Express Terms”). PG&E previously submitted written comments on the proposed CRS regulations filed July 21, 2003, and offered oral comments at the Renewables Committee workshop on September 24, 2003. To the extent PG&E proposed revisions to the CRS regulations in its July 21 comments that were not incorporated into the Express Terms, PG&E incorporates its earlier comments by reference. PG&E has revised its position on some issues which were discussed at the September 24 workshop in light of feedback from the Committee and others at that session. To the extent that PG&E’s written comments herein differ from its oral comments at the workshop, the comments filed in this document convey PG&E’s current position regarding the Express Terms.

**Proposed Section 1395 – Scope**

- The term “customer generators” may be confusing, as it is not defined or used elsewhere in the Express Terms. PG&E suggests that the term “customer generators” be replaced with “Departing Load customers,” which is a defined term.

- The section indicates that these regulations set forth the mechanism and process to assess and track “CRS eligibility of Departing Load customers.” A more accurate description might be “eligibility of Departing Load customers for CRS Exemptions.”

### **Proposed Section 1395.1 – Rules of Construction and Definitions**

- Subsection (a) – PG&E previously recommended revising this subsection to conform it to the definition of emergency generation equipment in Public Utilities Code Section 372(a)(3). PG&E reiterates that recommendation here.
- Subsection (b) – PG&E appreciates the Commission’s revision to include reference to the Health and Safety Code. The reference to Section 404005 is incorrect, however, and should be changed to Section 40405.
- Subsection (c) – The word “Company” should be added after “Southern California Edison.”
- Subsection (g) – The reference to “cents-per-kilowatt basis” should be changed to “cents-per-kilowatt-hour basis.” Also in subsection (g)(1), “Southern California Edison’s” should be changed to “Southern California Edison Company’s,” and the word “Company” should be added after Southern California Edison in subsection (g)(3).
- Subsection (i) includes the phrase “megawatt cap.” The term “Megawatt Cap” is later included as a defined term. For clarity, the phrase should be capitalized here.
- Subsection (k) includes the phrases “departing load,” “CRS exemption,” and “queue.” The terms “Departing Load,” “CRS Exemption,” and “Queue” are all defined terms. For clarity, the phrases should be capitalized here.
- Subsection (m) – There does not appear to be a need to put Customer Generation in quotation marks. “Departing Load” as used in this section should be capitalized. “Backup Generation” in subsection (m)(3) should be capitalized.
- Subsection (u) – The reference to Section 1395.2(c)(4) is incorrect and should be changed to Section 1395.3.
- Subsection (v) – The word “section” should be added before the number “353.2.”

### **Section 1395.2 – Departing Load CRS Information Form or Form**

- Subsection (a)(1) – The phrase “Departing Load CRS Information or Form” should be changed to “Departing Load CRS Information Form (or Form).” The phrase “CRS exemption” should be capitalized, as it is a defined term.
- Subsection (b) – Based on the September 24 workshop, PG&E understands that the form described in this Section is intended solely for purposes of the Commission’s tracking of

CRS Exemptions and the related Queue. PG&E understands the Commission's interest in avoiding jurisdictional questions which might arise were the Commission to expand the scope of information requested in the Form. PG&E will continue to work with the other Electric Utilities to develop a Form that meets the Commission's needs, while striving to eliminate duplication in the forms that a Customer must complete to obtain tariffed service. To the extent that the Commission's Form does not collect all the information PG&E requires to administer its Departing Load tariffs, PG&E will use its own forms -- which have been filed to implement the tariffs PG&E filed in accordance with CPUC's Decision No. 03-04-030. Those forms are subject to future modification, as described in PG&E's Advice Letter 2375-E (footnote 9, p.4) , and PG&E will consider input received during the development of the CEC's Form as it revises its CPUC forms. The Forms referenced in Section 1395.2 will not replace the forms required for PG&E's own purposes and approved by the CPUC.

### **Section 1395.3 – Process for Assessing Eligibility for CRS Exemptions, and Reporting Requirements**

- Subsection (b)(1)(A) – “10 calendar days upon receipt of the Form” should be changed to “10 calendar days after receipt of the Form.” This change should also be made to subsection (b)(1)(B). The phrase “supplement information” should be changed to “supplemental information.”
- Subsection (b)(1)(B) allows the Electric Utility to provisionally categorize a project. PG&E requests that this subsection be amended to clarify that utilities will start billing and collecting from Customers, subject to refund, based on this provisional categorization.
- Subsection (b)(3) requires the Electric Utility to send confirmation “in writing.” To allow for future process improvements, including electronic forms of communication, PG&E suggests that this subsection be revised to allow confirmation “in writing or by other means acceptable to the Commission, Customer, and Electric Utility.”
- Subsection (c)(4) – The reference to “section (c)(3)” is too narrow; it should be changed to refer to “sections 1395.2 and 1395.3.” Also, the subsection that follows subsection (c)(4) should be numbered (5) rather than (3), and the terms “queue” and “megawatt cap” should be capitalized as they are defined terms.
- Subsection (d) – The word “queue” should be capitalized throughout this section.
- Subsection (d)(1)(B)(2) – The word “generation” should be capitalized as it is part of a defined term.

### **Section 1395.4 – CRS Exemption Queue and Procedures for Updating the Queue**

- Subsection (a) – The reference should be to both Section 1395.2 and 1395.3 as they both set forth criteria.

- Subsection (b) – PG&E assumes “They” in the second sentence refers to the Commission. If so “Commission” should be used instead of the pronoun.
- Subsection (c) and (c)(1) – “Megawatt Cap” should be capitalized as a defined term.
- Subsection (c)(1)(A) – Queue should be capitalized.
- Subsection (c)(1)(C) – “Customer” and “development plan” should be capitalized.
- Subsection (c)(2) and (c)(2)(A) – “Megawatt Cap” should be capitalized.
- Subsection (d) – To help ensure that utilities are aware of the Commission’s actions, the first words should be altered to read: “Remove CRS Exemption requests, and so notify the Electric Utility, if a customer does not commence operation . . . .”
- Subsection (e) – PG&E already submits quarterly reports to the Commission regarding Customer Generation in its service territory. PG&E recommends that any additional reporting required under this subsection be incorporated into its existing reports.
- Subsection (f) – PG&E supports the monitoring process proposed by the Commission. PG&E will use, among other things, information obtained through the Commission’s monitoring program when evaluating Departing Load customers’ ongoing qualifications for exemption from DWR Bond Charges and DWR Power Charges. PG&E requests that the Commission consult with this CPUC on this matter to clarify jurisdictional boundaries. PG&E suggests that the beginning of the first sentence be reworded for clarity to say “The Commission shall develop a monitoring process to ensure that information received from a customer pursuant to this Section 1395 will help accurately assess. . . .” The words “customer generation” should be capitalized.

#### **Section 1395.5– Extension Requests, Other Substantive Changes, and Requests to Evaluate Additional Information**

- Subsection (a) – The word “can” in the first sentence renders the sentence vague. PG&E believes the word “will” would be more definite.
- Subsection (e) – PG&E supports the Commission’s proposed role as the agency responsible for dispute resolution regarding the allocation of DWR Bond Charge and DWR Power Charge exemptions for Departing Load customers. PG&E’s current and proposed tariffs<sup>1/</sup> governing Departing Load customer non-bypassable charge exemptions describe a dispute resolution process. PG&E requests that the Commission consult with the CPUC on this matter to clarify jurisdictional boundaries. It is PG&E’s preference that dispute resolution regarding DWR Bond Charge and DWR Power Charge

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<sup>1/</sup> PG&E’s Electric Preliminary Statement Part BB governs disputes related to non-bypassable charge exemptions. In its Advice Letter 2375-E as modified by Advice 2375 E-A, PG&E proposed the same dispute resolution process for matters pertaining to DWR Bond Charge and DWR Power Charge exemptions.

exemptions for Departing Load customers be the sole responsibility of the Commission and that the CPUC remain the arbiter of disputes other than those related to the DWR Bond and Power Charges. If the Commission and the CPUC concur, PG&E proposes to amend its rate Schedule E-DCG to reflect this modification.

Respectfully submitted,

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Dated: October 14, 2003